

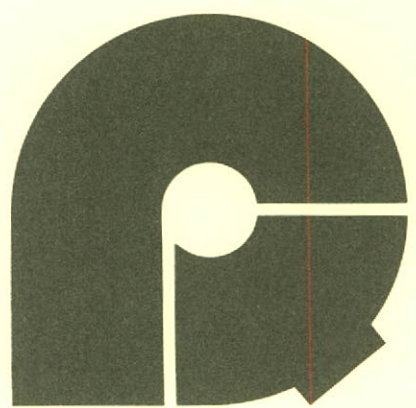
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ANNUAL REPORT 1972

QUEBEC TRUST

Fédération du Québec

MANAGEMENT
LIBRARY
AUG 27 1973
MCGILL UNIVERSITY





Highlights

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	1972 \$millions	1971 \$millions	Increase %
Total assets	242.8	194.2	25
Income	20.9	15.6	34
Expenses	21.1	15.3	38
Assets under administration	794.2	619.3	28
Mortgages under administration	95.8	59.0	62
Guaranteed deposits	238.9	190.0	26
Desjardins Fund	23.2	14.3	62
Real Estate — Sales	37.0	22.4	65
Employees	463	397	17



**Income, expenses and deficit
year ended December 31**

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	1972	1971(1)
Income		
Fees and commissions	\$ 3 954 830	\$ 2 672 462
Investment income	<u>16 904 787</u>	<u>12 933 594</u>
	<u>20 859 617</u>	<u>15 606 056</u>
 Expenses		
Interest paid	15 242 490	11 575 606
Salaries and benefits	3 068 278	1 973 596
Commissions to real estate agents	1 015 609	667 479
Other administrative expenses	<u>1 799 699</u>	<u>1 059 878</u>
	<u>21 126 076</u>	<u>15 276 559</u>
 Loss for the year	266 459	
Profit for the year		329 497
Deficit at beginning	<u>51 169</u>	<u>380 666</u>
Deficit at end	<u>\$ 317 628</u>	<u>\$ 51 169</u>
 (1) The 1971 figures have been reclassified for comparison with 1972.		

Balance sheet as at December 31

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ASSETS	1972	1971 (1)
Assets held in trust for guaranteed accounts		
Cash and deposit receipts	\$ 25 515 768	\$ 9 313 588
Accounts receivable	379 793	
Interest receivable	3 014 667	2 303 959
Securities (note 2)	72 436 457	67 498 278
Loans, secured	2 900 000	9 269 000
Notes receivable	30 562 714	49 848 624
Advances to clients	5 483 315	5 890 272
Mortgages	96 055 508	44 645 947
Properties for sale (note 3)	2 504 576	1 257 871
	<u>238 852 798</u>	<u>190 027 539</u>
 Company assets		
Cash	171 143	83 718
Securities (note 2)	1 753 694	1 706 619
Notes receivable	113 263	126 002
Mortgages	189 266	656 562
Accounts receivable	1 036 183	1 047 990
Fixed assets less depreciation	560 532	351 474
Properties for sale		19 322
Interest receivable	18 412	14 506
Other assets	122 203	126 532
	<u>3 964 696</u>	<u>4 132 725</u>
	<u>\$ 242 817 494</u>	<u>\$ 194 160 264</u>
 (1) The 1971 figures have been reclassified for comparison with 1972		
 Signed on behalf of the Board Jean-Marie Couture, Director Cyrille Bélanger, c.a., Director		

**To the Shareholders of
Quebec Trust Company**

We have examined the balance sheet of Quebec Trust Company as at December 31, 1972 and the statement of its income, expenses and deficit for the year then ended. We have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures, such tests of accounting records and other supporting evidence as we considered necessary in the circumstances and we have checked the securities held for the company, clients and guaranteed accounts.

Assets held under administration and assets held for guaranteed accounts are kept separate from the company's own assets and are so earmarked on the books as to show the accounts to which they belong.

LIABILITIES**1972****1971 (1)****Guaranteed trust accounts**

Investment certificates (note 4)

Mouvement des Caisses Populaires Desjardins

\$ 78 464 726**\$ 67 164 442**

Other depositors

160 388 072**122 863 097****238 852 798****190 027 539****Company liabilities**

Accounts payable

367 324**268 894****Shareholders' equity**

Capital (note 5)

3 915 000**3 915 000**

Deficit

(317 628)**(51 169)****3 964 696****4 132 725****\$ 242 817 494****\$ 194 160 264**

In our opinion, according to the best of our information and the explanations given to us and as shown by the books of the company, these financial statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at December 31, 1972 and the results of its operations for the year then ended, subject to the possible adjustment as mentioned in note 3, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the change of policy as outlined in note 1.

Samson, Bélair, Côté, Lacroix et associés
Chartered Accountants

Montreal, February 21, 1973

**Notes to balance sheet
as at December 31**

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NOTE 1 CHANGE IN ACCOUNTING POLICY

In 1972 the Company adopted the amortized cost method for recording its investments in bonds. Due to this change in accounting policy the income from bonds during the year is \$210 300 higher than it would have been had the Company continued recording its bonds at cost. The value of the bonds shown on the balance sheet has been increased by a corresponding amount.

NOTE 2 SECURITIES at amortized cost and at cost

Guaranteed trust accounts

Bonds issued by the Government of Canada

Bonds issued or guaranteed by Provincial Governments

Bonds issued by municipalities and school commissions

Bonds issued by corporations

Stocks

Company assets

Bonds issued by municipalities and school commissions

Bonds issued by corporations

Stocks

The cost of Canada bonds, Provincial bonds and other bonds guaranteed by the Provinces added to the market value of the other investments aggregate \$72 764 584 as at December 31, 1972 and \$67 639 652 as at December 31, 1971.

NOTE 3 PROPERTIES FOR SALE

The provision for possible losses on the resale of properties is \$96 000 as at December 31, 1972, whereas this figure was \$250 000 as at December 31, 1971. It is impossible to determine the amount which will eventually be required as a provision due to changing market conditions. However if all properties were sold, the loss incurred could amount to approximately \$260 000 which would adversely affect the results of operations of the year by \$164 000.

NOTE 4 INVESTMENT CERTIFICATES

The maturities are as follows:

Less than one year

From one year to five years

NOTE 5 CAPITAL

Authorized

50 000 common shares of a par value of \$100 each

Issued and paid

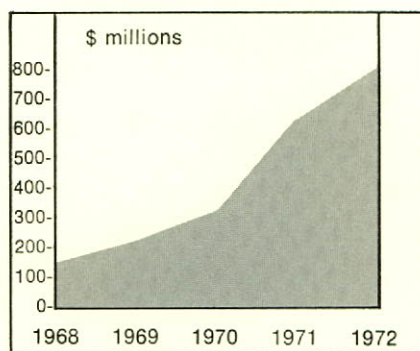
39 150 shares

NOTE 6 COMMITMENTS

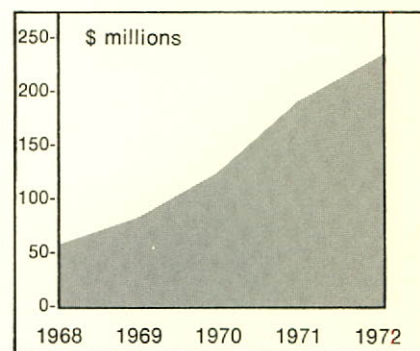
The Company has entered into leases for a total rental charge over the next five years of \$286 650.

	1972	1971
\$	430 200	\$ 1 952 583
	33 138 200	35 328 195
	18 895 733	13 820 655
	19 913 293	16 359 845
	72 377 426	67 461 278
	59 031	37 000
\$	72 436 457	\$ 67 498 278
\$	511 139	\$ 521 189
	204 661	192 541
	715 800	713 730
	1 037 894	992 889
\$	1 753 694	\$ 1 706 619
	35%	40%
	65%	60%
\$	3 915 000	\$ 3 915 000

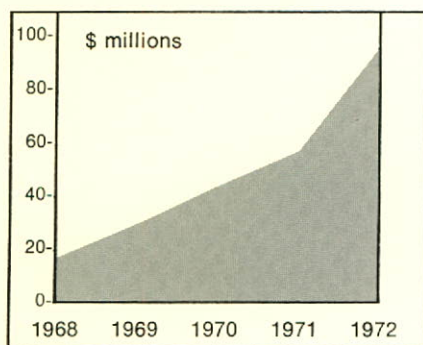
Assets under administration (\$millions)	1972	1971
Administrated assets, appraised value	551.4	425.1
Guaranteed accounts and Company assets	242.8	194.2
	<u>794.2</u>	<u>619.3</u>



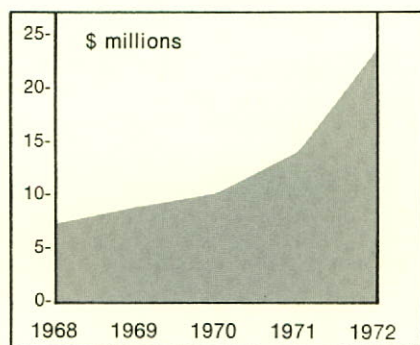
Assets under administration



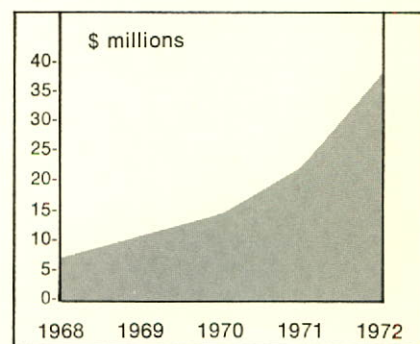
Guaranteed deposits



Outstanding mortgages



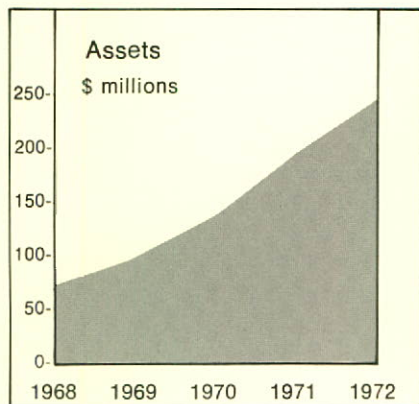
Desjardins Fund



Real Estate — Sales

Our services

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Investment services

Guaranteed Investment Certificates
Desjardins Fund
Safekeeping of securities
Portfolio Manager and
Investment Consultant

Financial Services

Mortgage loans
Collateral loans
Special Financial Projects
Bond issues

Real estate services

Real estate investment consultant
Agent to buy and sell real estate
Property management
Real estate appraisal
Real estate rental
Nominee agent

Personal services

Estate settlement and administration
Estate and financial planning
Registered retirement savings plan
Special personal agencies

Corporate services

Pension trust services
Pension Plan Administration
Secretarial functions for
corporations
Sale, purchase and amalgamation
of corporations
Financial analysis
Temporary management of
corporations
Special corporate agencies





QUEBEC TRUST

Montreal	:	511, Place d'Armes	[514] 284-6767
Quebec	:	250 Grande Allée West	[418] 524-4651
Sherbrooke	:	1845 King Street West	[819] 562-2606
Trois-Rivières	:	118 Radisson Street	[819] 375-1601
Rimouski	:	192 St-Germain Street East	[418] 724-2245
Chicoutimi	:	245 Racine Street East	[418] 549-5746